

RFP 08-331
Provider Compensation Subsystem (PCS)
Amendment #3
Bidders Questions and DSHS Answers

As stated in the RFP document, DSHS will be "... bound only to written answers to questions. Any oral responses given at the Pre-Proposal Conference shall be considered unofficial and are not binding on DSHS..."

The following are the DSHS answers to Bidders questions 1 through 46. This release contains questions asked at both the bidders conference and submitted in writing. DSHS is responding to a total of 130 bidder questions. Additional answers to the remaining 84 bidders questions will be posted when they are finalized by DSHS.

Question Number	Question	DSHS Answer
1	How many unions, and which unions are included in the scope of this project? The RFP mentions SEIU 775NW and SEIU 925. Second, what if one provider is covered under two CBA's how do you determine what services they receive?	Services covered under SEIU 775NW (individual providers of in-home care services) and Washington State Residential Care Council of Adult Family Homes are in-scope. Services covered under SEIU 925 are not included in this phase of the PCS implementation. It is important for bidders to recognize it is the service, and not the provider, which determines union affiliation. The authorization is an agreement between DSHS, and a Provider authorizing payment to the provider for a service that has or will be performed. It will be known to PCS which services are a union-covered and, if covered, which CBA is applicable.
2	Is there a driver to have a single paycheck per provider paid out of multiple provider/client relationships?	For services performed by the same provider, within the same general tax classification, yes, DSHS requires a single payment. For example, all services paid to W-2, or non-reportable services associated with a W-2 service authorization, are to be included in a single paycheck, irrespective of the number of clients served by the provider during that pay period. It is not necessary for W-2 and 1099 earnings to be comingled in the same paycheck. A provider may be authorized to perform a variety of services, for a variety of clients. Providers are invoiced, by the system responsible for calculating that provider's pay (either ProviderOne or Provider Compensation Subsystem) for all authorized services and all clients receiving those services. Further, time entry is made, through the system calculating that provider's pay, for all services and clients included in that provider's authorizations.
3	If a provider provides multiple services for multiple clients, will the provider still get only one paycheck?	Yes.

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4	Is there data exchanged from PCS to the Taft-Hartley Administrator which describes how many hours of union-covered services are worked?	<p>Yes. It is the responsibility of the PCS vender to send a data feed to the Taft-Hartley administrator. Data is also to be received from the administrator, to PCS. Related requirements include, but are not limited to:</p> <p>F.2.4.10 - PROVIDER IDENTIFIED WHEN NOTICE GIVEN TO TAFT-HARTLEY ADMINISTRATOR - The system shall identify a provider record by the union when the provider is identified to the Taft-Hartley administrator for eligibility for health insurance coverage.</p> <p>F.7.4.4 - PARTICIPANTS AND HOURS/UNITS FILE TO THIRD PARTY - The system shall send a file with a list of participants (insured providers) and eligibility to third parties administering health benefits (for example, the Taft-Hartley administrator (BSI)).</p> <p>F.7.4.5 - MONTHLY DEDUCTION FILE TO THIRD PARTY ADMINISTRATOR - The system shall generate and send a monthly payment file to third parties administering health benefits (for example, the Taft-Hartley administrator (BSI)).</p> <p>In addition to sending a data feed that helps the Taft-Hartley administrator to identify when the Provider is eligible, the PCS vender will also receive a file that will allow them to perform the below requirements as well;</p> <p>F.2.4.11 - PROVIDER HEALTH INSURANCE DEDUCTIONS - The system shall calculate health care premiums deductions from enrolled Providers, as per enrollment data received from a third party (for example, from the Taft-Hartley administrator (BSI)).</p> <p>F.2.4.12 - MONTHLY HEALTHCARE ENROLLMENT FILE FROM THIRD PARTY - The system shall receive and process monthly Healthcare Enrollment directives from file sent by a third party (for example, from the Taft-Hartley administrator (BSI)).</p> <p>F.2.4.15 - ADJUSTMENTS TO HEALTH INSURANCE PREMIUMS - The system shall receive from third parties (for example, the Taft-Hartley administrator (BSI)) and process files which make adjustments to prior remittances of provider and State health insurance premiums remitted.</p>

Question Number	Question	DSHS Answer
5	What is the number of days or hours that will elapse between the vendor's distribution of funds to the PCS provider and the actual pay day? For example, in a monthly payroll cycle, if Payday is on the 31st, when will the funds be dispersed to the PCS vendor?	<p>The PCS vendor is not responsible for remitting funds to any party. PCS calculates provider pay, tax remittances, and payments to certain third parties (for example, the Taft-Hartley administrator, for certain health care benefits), but PCS only generates pay transactions. Those transactions are used to issue pay through the Office of Financial Management and the Office of the State Treasurer.</p> <p>Refer to the Conceptual High Level Business Architecture depicted on Page 21 of the RFP. Also, numerous functional requirements refer to the generation of "payment interface transactions."</p>
6	Since PCS will replace the legacy system, will it replace the support also? Is the bidder responsible for managing the audits, dealing with errors, entering W-2 and timesheet data, and everything related to the "people side" of the process?	Bidders are encouraged to focus on the service delivery requirements in order to understand the staffing needs expected to be fulfilled by the vendor, with respect to support of business processes.
7	Is the PCS vendor expected to provide the staff to balance the accounts, ensure correct deductions are made, and manage the payroll?	Yes. The vendor is responsible for ensuring the accuracy of calculations performed and for supplying the mechanisms (including staff) to ensure and validate this accuracy.
8	If PCS is not making the payment, how will the tax payments work?	<p>See Service Delivery requirement S.5.4.1 (emphasis added):</p> <p>"REMITTANCE OF DEDUCTIONS AND DATA TO STATE AND FEDERAL AUTHORITIES - The bidder is responsible for calculating and generating timely payment transactions to be used by other systems (e.g. ProviderOne and AFRS) to remit monies to certain third parties, such as State and Federal taxing authorities. Where these third parties can receive data (reports) separately from funds remitted, the bidder is responsible for issuing those reports. Bidders shall describe and implement methods for generating the payment transactions to other systems and for transmitting reports, either in electronic form or on paper, to these third parties."</p>

Question Number	Question	DSHS Answer
9	What party is responsible for ensuring the accuracy is there? If there is an error or a change, how does that occur if the paycheck file has already been sent?	<p>The vendor shall rely upon the authorization sent to PCS by ProviderOne. DSHS anticipates that PCS shall be able to validate against authorization and certain provider and client data provided to PCS, by ProviderOne.</p> <p>It should be noted that authorizations often change. As stipulated in functional requirement F.1.1.6 and elsewhere, services may be authorized and claimed retroactively. The vendor's specific solution will need to accommodate authorizations which change before and after certain points in the pay cycle. For example, (1) after the invoice is generated, (2) before time entry commences, (3) before time entry is finalized, (4) before pay is calculated, and (5) after pay is generated.</p>
10	Is it possible to get a sample invoice from the legacy system?	<p>DSHS is looking forward to the opportunity to design new invoices with the selected vendor which both leverages the capabilities of the selected vendor's system and fits within the constraints of data received from ProviderOne.</p> <p>[Samples of one or more type of invoice will be provided.]</p>
11	With respect to the wage statement (the "remittance advice" or pay stub), we understand the goal is to lump provider payments together across clients. How do you produce a wage statement without calculating payments separately?	<p>DSHS does not specify how the bidder will calculate pay for a single provider servicing multiple clients. However, DSHS anticipates that provider will receive one single paycheck and one single remittance advice (wage statement) detailing payment for all services claimed during the pay period.</p> <p>DSHS is looking forward to the opportunity to design new remittance advices with the selected vendor which both leverages the capabilities of the selected vendor's system and fits within the constraints of data received from ProviderOne.</p> <p>[Samples of one or more types of remittance advice will be provided.]</p>
12	For an authorization, how is the actual time recorded for the provider that has rendered services, how is that obtained and how does that get to the PCS vender?	<p>The RFP specifies time capture is to be accomplished by paper timesheet, web portal, batch upload, and an IVR "or other innovative solution." The authorization will establish limits such as service dates and number of units and PCS will validate time capture (a "claim") against the authorization.</p>

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13	Describe the typical invoicing process and what is given to providers today. How will that change, in the future?	<p>Authorizations are typically generated by case management systems. Authorization data is transmitted to SSPS, presently, and ProviderOne, in the future. The authorization is validated by SSPS today and, in the future, will be adjudicated through the ProviderOne claims processing subsystem. Successful authorizations result in correspondence – an authorization letter – to the provider. It is not a requirement for PCS to produce the authorization letter.</p> <p>In the future, ProviderOne will pass provider, client and authorization details to the Provider Compensation Subsystem. Depending on the payment type, PCS is to issue an invoice to the provider, for a certain pay period or number of pay periods (currently, one month of services appear on the invoice).</p> <p>Depending on the payment type, the invoice is used by the provider to “claim” payment. The claim is made through the PCS time capture mechanism.</p> <p>It is worth noting that certain services are either invoiced only once or may never be invoiced. See Reference G (Glossary):</p> <p>“Payment Type = There are four payment types, described by the type of invoicing which may result in the payment: (1) One Time Invoice, (2) Recurring Invoice, (3) One Time Non-Invoice, and (4) Repetitive Non-Invoice.”</p>
14	Is there a hardcopy payroll stub going to the provider after they have been paid.	<p>PCS must produce a printed remittance advice for each provider paid, irrespective of the method of payment. Several requirements relate to the production of an earnings statement envelope, which contains a remittance advice. As an example, see functional requirement F.5.2.1:</p> <p>“DETAILED REMITTANCE ADVICE - The system shall allow for the production and inclusion in the earnings statement envelope of a remittance advice (earnings statement).”</p> <p>DSHS is looking forward to the opportunity to design new pay stubs (called a “remittance advices”) with the selected vendor. This new design would leverage the capabilities of the selected vendor’s system and fit within the constraints of data received from ProviderOne.</p> <p>[Samples of one or more types of remittance advice will be provided.</p>

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15	The invoice is submitted by the provider. Is there acknowledgement by the client before the payment is made? Does the client validate services claimed by the provider? And would the PCS vendor need to verify these services?	Client validation is not part of the RFP. PCS is not responsible for conducting an audit with clients or coordinating client confirmation of services with a pay calculation.
16	Does client responsibility come through to PCS at a provider level or at a client specific level?	Client responsibility (called “participation”) comes from ProviderOne to PCS and is at the client level.
17	Could pay rates could change every month?	PCS will rely upon rate data received for each authorized service from ProviderOne and those rates may change without notice. However, DSHS does not anticipate that rate tables maintained in PCS will need to be modified on a monthly basis.
18	EIN verses UBI, which will PCS have?	Payments are made using an SSPS EIN, with the exception of payments to Labor & Industries (workers compensation). L&I payments use a special UBI established for providers claiming union-covered services.
19	There are requirements regarding the IVR. Specifically, language and keying versus voicing. Are these firm requirements or are we just asking them what capabilities they are proposing?	<p>Presently, DSHS provides an IVR time capture system. That system selectively prompts users in English and in Spanish. DSHS desires to maintain at least that level of service, using the bidder’s provider-facing time entry system.</p> <p>See functional requirement F.1.2.1:</p> <p>“TIME ENTRY PROMPTS IN ENGLISH AND SPANISH - The time entry system (interactive voice response (IVR) or other innovative solution) should provide prompts in both English and Spanish.”</p> <p>And functional requirement F.1.2.2:</p> <p>"IVR ENTRY BY VOICE AND KEY - The system should allow entry, using interactive voice response (IVR) or other innovative solution, by both voice recognition and key entry."</p>
20	Is paper invoicing a requirement?	With the exception of a small number of providers (typically facilities; see functional requirement F.1.1.12), DSHS desires that all providers receive a paper invoice. Depending on the design of the invoice and time capture requirements that invoice may also serve as a timesheet for the provider.
21	Garnishments – how are they currently received? Is the client listed as the employer or do they list DSHS? If they do list DSHS what is the policy?	Garnishments are addressed to DSHS and DSHS is typically listed as the employer. No reporting which refers to the client is made to either garnishor or garnishee.

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22	Does this scope of work include the keying in of time sheets submitted by mail?	<p>Yes, the PCS Vendor will have responsibility for keying in provider timesheets submitted by mail. DSHS wishes to direct attention to two Service Delivery requirements stated in the PCS RFP, in particular.</p> <p>S.1.1.1. "RECEIPT OF PAPER TIMESHEETS - The bidder shall receive paper timesheets (invoices) sent by providers and shall enter time data into the system. Bidders shall describe and implement methods for entering data received on these paper timesheets (invoices)."</p> <p>S.9.1.1. "CONTROL OF RECEIPT OF DOCUMENTS - The bidder should have certified operational processes in place to control the receipt and access of documents related to administration of provider pay. Bidders shall describe and implement processes to control the receipt and access of documents related to administration of provider pay and the bidder shall describe their most recent certification on operational processes from an industry accepted certification body or audit body (e.g. COBIT, ISO, SAS-70, etc.) "</p>
23	<p>One problem between SEIU 775 and the current SSPS process is policy regarding who the employee of record is and who it will be in the future, has DSHS answered this question about which EIN will be used?</p> <p>DSHS please include its preference in the response. Important because it matters if the ASP provider is going to be expected to be the EIN employer of record.</p>	DSHS will identify the EIN to be used. DSHS intends PCS to assist DSHS in its role as the Third Party Payer/Intermediary Fiscal Agent.
24	If you have a provider and they have multiple clients, are the garnishments and benefits based on the hours worked total or is it separated out by all the different client situations?	Garnishment orders are executed on all provider pay, irrespective of the number of clients served. Garnishments are based on gross pay less disposable income and certain payments that are exempt from garnishment for example, Foster Care or adoption support. DSHS has no specific requirements which oblige the vendor to account for garnishments on a per-client basis.

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25	Is there a driver for not asking for HR time keeping system? There are HR related functions documented in the RFP that call back to provider one and also at the DSHS level. Besides payroll heavy elements in the RFP what about trying to keep/ maintain HR needed functionality like Call Center support?	<p>The approach used to secure federal funding for the PCS project specifically requires the PCS RFP to not include requirements that duplicate ProviderOne MMIS functionality.</p> <p>However, DSHS understands that Bidder solutions may inherently include a number of additional capabilities not specifically required in the RFP and DSHS suggests that Bidders include and clearly document those ‘value added’ services in their proposal.</p> <p>PCS Call Center support is an RFP requirement. PCS Call Center requirements include, but are not limited to F.8.1.1, F.8.1.2, S.8.1.5, 7.6.9, and 7.7.1.</p>
26	What is the driver for not doing the time keeping functions and the HR functions that are in provider one?	<p>The approach used to secure federal funding for the PCS project specifically requires the PCS RFP to not include requirements that duplicate ProviderOne MMIS functionality.</p> <p>However, DSHS understands that Bidder solutions may inherently include a number additional capabilities not specifically required in the RFP and DSHS suggests that Bidders include and clearly document those ‘value added’ services in their proposal.</p> <p>PCS time keeping and time capture requirements include, but are not limited to F.1.1.1 through F.1.2.4.</p>
27	Once you have chosen the winner, how long is the DDI effort?	<p>The Design, Development, and implementation (DDI) period is planned to begin September 1, 2010 and conclude with production implementation of the PCS on or about March 30, 2012 (approximately 19 months). Within the 19 month DDI period, the Bidder’s work plan should include:</p> <p>Detailed DDI Activities, including a PCS/ProviderOne Integration Test period (two months)</p> <p>Pilot/Pre-Production Testing (three months)</p> <p>Bidders are expected to propose a timeline that efficiently utilizes DSHS and Bidder resources and, at the same time, provides for a fully functioning PCS Pilot/Pre-Production Test the last three (3) months of the 19 month DDI period. The PCS is highly inter-dependent with the ProviderOne Phase 2 “ADSA” implementation currently planned for March 2012. Please refer to RFP section “2.1.2.9 Implementation” for additional information regarding PCS inter-dependencies with ProviderOne.</p>

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28	Understanding the RFP and the current law, what level of accounting information will be required as part of the payment file?	PCS will receive from ProviderOne authorized services, providers and client details as required. PCS will not need to apply account coding but, depending upon final design of ProviderOne and PCS; PCS may need to pass through account coding provided by ProviderOne, even at the service line detail level. PCS will need to associate providers with clients and the services and authorizations. Detail level transactions will need to be sent to from PCS to ProviderOne for payment as well as deduction transaction for each provider payment.
29	What method of payment is to be available to providers?	The RFP assumes providers may receive payment in the form of a warrant, electronic funds transfer, or cash value card (CVC). Presently, only warrant and EFT are available.
30	How do you know how (what method) to pay a provider?	<p>When each provider is enrolled, the desired payment method (and any details required to support that method, such as bank account information, in the case of EFT) is established. In the future, that data will reside in ProviderOne.</p> <p>It may be useful for the bidder to know that DSHS has indicated its desired policy is to enroll providers with Electronic Funds Transfer as the default pay method. Providers may, at the point they are enrolled in ProviderOne, elect to receive pay by warrant and, if the Office of the State Treasurer makes the method available, Cash Value Card (CVC).</p>
31	Is the March 2012 date fixed? Is there a driver we can share? There are thirteen months for the vendor to do DDI, is that correct?	<p>The Design, Development, and implementation (DDI) period is planned to begin September 1, 2010 and conclude with production implementation of the PCS on or about March 30, 2012 (approximately 19 months). Within the 19 month DDI period, the Bidder's work plan should include: Detailed DDI Activities, including a PCS/ProviderOne Integration Test period (two months)</p> <p>Pilot/Pre-Production Testing (three months)</p> <p>Bidders are expected to propose a timeline that efficiently utilizes DSHS and Bidder resources and, at the same time, provides for a fully functioning PCS Pilot/Pre-Production Test the last three (3) months of the 19 month DDI period. The PCS is highly inter-dependent with the ProviderOne Phase 2 "ADSA" implementation currently planned for March 2012. Please refer to RFP section "2.1.2.9 Implementation" for additional information regarding PCS inter-dependencies with ProviderOne.</p>
32	Does the amount of participation vary over the year?	Participation, as with other details contained at the service line level of an authorization, may change at any time.

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33	In RFP there is a requirement that stipulates that providers may enter a reduced rate. What is meant by this?	For certain services, the provider is permitted to claim a rate lower than that specified in the authorization. DSHS expects the bidder's solution shall include a method for providers to claim both a number of service units and a reduced rate for each unit. Bidders may additionally provide a mechanism, at least in the IVR and provider portal time capture methods, for affirming provider's intent to claim at a rate lower than the maximum rate authorized.
34	One approach at meeting the requirements would be totally outsourced – is there a reason why this is not fully outsourced?	DSHS is not seeking a fully outsourced or totally outsourced approach. There are a number of unique requirements and business functions that will stay within state government and DSHS is seeking an Application Service Provider (ASP) utilizing a "purchased services" type of contract.
35	FLSA – day verses half-day, how will these be paid accurately?	Presently, Individual Providers do not receive overtime pay and the current method of time capture for IPs does not support an overtime calculation. Although payment for services covered under SEIU 925 is beyond the scope of the current implementation, bidders should be aware overtime pay is authorized within the CBA for childcare workers (SEIU 925, see that CBA for details).
36	Do providers accumulate hours across clients or do those accumulated hours stand alone?	Hours, such as CCH and accrual of vacation time, accumulate against specific services (e.g., union-covered services). CCH need not be traced to the specific client served by the provider. However, in the case of vacation accrual, tax reporting requirements can only be met if accrual and payment of vacation time is attributable to the specific client (employer).
37	Section F.2.1.6 Page 122 The RFP states: The system shall receive and process from ProviderOne the tax classification (e.g., individual/sole proprietor, corporation, partnership, LLC-D, LLC-C, LLC-P, or Exempt Payee), where the provider is paid through 1099. Will all providers become state employees or is there a need for some to continue as 1099?	No Social Service provider is an employee of the state. Implementation of PCS does not change the 1099 or W-2 tax status of any provider and DSHS anticipates that some social service providers will continue as 1099 and others will continue as W-2.
38	Section F.4.2 Page 133 Regarding F.4.2 – Other Earnings: Are Providers eligible for retirement or pension programs? If so, what programs?	There is presently no retirement or pension plan for which Providers are eligible and which is supported by the system.

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39	<p>Section F.4.3.5 Page 135 The RFP states: The system shall allow the use of multiple holiday calendars to allow for the processing of holiday pay using multiple holiday schedules, as may be specified in applicable CBAs.</p> <p>Can Providers have more than one holiday calendar (e.g., Provider belongs to multiple unions)?</p>	Yes.
40	<p>Section F.7.1.1 Page 147 The RFP states: The system shall produce and transmit paper or electronic tax forms and reports where appropriate. Examples of such reporting include W-2, 1099, Form 941, 941 Schedule B, Form 941X, Form 945, Form 843, Form 940, W-2C, W-3C, 1096 Transmittal Cover Sheet, 1099-MISC, and amended forms, as needed.</p> <p>Will a list of the actual forms necessary be provided prior to bid submission since the requirement lists examples of the forms?</p>	The examples named in F.7.1.1 are not intended as a definitive list of all regulatory-required forms. DSHS will not provide, prior to bid submission, a list of all forms which may be required to administer payroll in a manner which meets with regulatory compliance. The specific forms to be used will be established during the development phase.
41	<p>Section 7.8.3 Page 207 Should 2nd Monthly pay cycle costs (additional costs) also be included in optional term extension costs?</p>	No. The Bidder's 2nd Monthly pay cycle costs (additional costs) should not be included in the optional term extension costs.
42	Is it possible for one provider to have membership of multiple unions?	<p>Yes.</p> <p>It is important for bidders to recognize the union association is through the specific services authorized and claimed, and not the provider rendering the services. A provider is not enrolled with a union affiliation. Rather, a provider is enrolled, then is authorized and subsequently claims services which are included under CBA.</p>
43	<p>General If a web portal is proposed for Time Entry, would DSHS be open to allowing distribution of earning statements and tax forms via the same portal?</p>	Earnings statements (or data equivalent) and tax forms, published to a secure web portal, would be acceptable. However, this solution cannot replace a paper earnings statement (remittance advice) and paper tax forms, mailed to the provider's address.

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44	<p>General</p> <p>Are earnings statement inserts included every payment or month?</p> <p>Would the posting of earning statements and insert notifications to a web portal be acceptable if one is proposed for the solution?</p>	<p>Historically, inserts have not been required to be included in every payment.</p> <p>Earnings statements (or data equivalent) and inserts, published to a secure web portal, would be acceptable.</p> <p>However, this solution cannot replace a paper earnings statement (remittance advice) with appropriate inserts, mailed to the provider's address.</p>
45	<p>General</p> <p>For general adjustments, are there situations where the adjustment of accumulated CCH would be done without processing a payment adjustment?</p>	<p>Yes. See F.6.1.6 (emphasis added):</p> <p>"ADJUSTMENT OF ACCRUED HOURS - The system shall permit authorized State users to independently adjust paid time off and cumulative career hours (CCH) and capture the reasons for the adjustment."</p>
46	<p>Requirement F.4.2.3.2</p> <p>Does the amount of client responsibility vary from month to month within a service year? Is this a static value that could be stored within the payroll application or must an interface call be placed to ProviderOne each time a case's timesheet/invoice is received by the payroll application?</p> <p>F.4.2.3.2 states that the client responsibility is to be converted to hours. However, the order of deductions shown in F.2.3.1 indicates that this is the first DEDUCTION taken.</p> <p>Why is there a conversion to hours if it is not a reduction of gross wages?</p>	<p>There is no requirement " F.4.2.3.2" in the RFP. We assume the question pertains to F.2.3.2.</p> <p>Participation, as with other details contained at the service line level of an authorization, may change at any time. It will be necessary for PCS to identify changes made in an authorization, at any time after the authorization is initially introduced to the system.</p> <p>Client participation has both a dollar value and a time value. Although providers are not paid participation by PCS as described in the CBA, providers may accrue against participation hours. The dollar value of participation is used to meet the deduction requirement in F.2.3.1 and is used in the calculation of accruals in F.2.3.2.</p>